



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 9, 2000

CERTIFIED RETURN RECEIPT
P 074 976 816

O. Jay Gatten
Pearl Queen Perlite Corporation
472 North Main Street
Kaysville, Utah 84037-6453

Re: Release of Reclamation Surety and Reclamation Obligations as a Result of Permit Transfer, Pearl Queen Perlite Corporation, Pearl Queen Perlite Mine, M/001/027, Beaver County, Utah

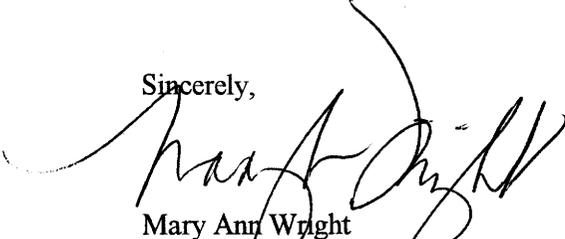
Dear Mr. Gatten:

On February 28, 2000, we received a completed Transfer of Notice of Intention of Large Mining Operations to formally transfer the Pearl Queen Perlite Mine located in the SE1/4 of Section 2, T27S, R9W, Beaver County, Utah from Pearl Queen Perlite Corporation to Basin Perlite Company. Basin Perlite Company has submitted a replacement Reclamation Contract and replacement reclamation surety. With Division acceptance of the replacement surety, Basin Perlite Company is now the operator of record for all mining and reclamation obligations associated with this project.

The Division hereby releases Pearl Queen Perlite Corporation from any further mining and reclamation obligations at the Pearl Queen Perlite Mine. Enclosed please find the original \$36,300 LOC ~~XXXXXXXXXX~~ issued by Key Bank, the original Reclamation Contract with the effective date of August 4, 1997 for your disposal, and a copy of the executed transfer form for your files.

It has been a pleasure working with your company. Thank you for your assistance in finalizing the transfer of the Pearl Queen Perlite Mine.

Sincerely,


Mary Ann Wright
Associate Director of Mining

jb

Enclosure: Executed Transfer form, Original 8/4/97 Reclamation
Contract & original LOC # ~~XXXXXXXXXX~~

cc: William R. Wilson, Basin Perlite Co
John Blake, SITLA (ML 3092)

M01-27-rel

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